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Pursuant to the Court's Order dated January 29, 2008, Plaintiff Georgia-Pacific Consumer Products LP ("Georgia-Pacific") hereby submits this Supplemental Brief in support of its Motion for a Preliminary Injunction. Many of the salient facts are included in Georgia-Pacific's *Ex Parte* Application for a Temporary Restraining Order and Order to Show Cause Re Preliminary Injunction and Memorandum of Points and Authorities in support thereof (collectively, the "Application"), filed on December 20, 2007 (Docket No. ("DN") 5. This Application is hereby incorporated by reference, along with Georgia-Pacific's Reply to Defendants' Declaration of Ronald Martinetti in Opposition to Motion for a Temporary Restraining Order ("Reply"), filed on January 16, 2008 (DN 16).

I. INTRODUCTION

The *Sleekcraft* "troika" as recited by the Ninth Circuit – (1) similarity of the marks; (2) relatedness of the goods; and (3) overlap in marking and advertising channels – indicates a strong likelihood of confusion between Defendants' "Angelite" bathroom tissue and Georgia-Pacific's **ANGEL SOFT** Trademarks (*see* App. at 4). *See Brookfield Commc'ns, Inc. v. W. Coast Entm't Corp.*, 174 F.3d 1036, 1058 (9th Cir. 1999); *Interstellar Starship Serv., Ltd. v. Epix, Inc.*, 304 F.3d 936, 942 (9th Cir. 2002). To overcome this "troika," the other factors must "weigh strongly" against a likelihood of confusion – here, they do not. *Id.* Pursuant to the Court's instruction, Georgia-Pacific provides supplemental information relating to the similarity in marketing channels below, as well as additional *Sleekcraft* factors including Defendants' intent, actual confusion, and the degree of care taken by consumers. None of these factors are remotely sufficient to overcome the controlling "troika," and universally weigh in favor of Georgia-Pacific. Moreover, the strong degree of protection that the **ANGEL SOFT** Trademarks must be afforded under the law confirms the existence of a likelihood of confusion.

Defendants' representations concerning cessation of their distribution of the "Angelite" product, aside from their questionable and as of yet untested veracity, do not in any way preclude issuance of a preliminary injunction. Further, given Georgia-Pacific's prior and continuous use of its federal trademarks, the existence of Defendants' California registration for "Angel Lite 500" is of no consequence and serves only as a distraction.

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Importantly, Georgia-Pacific is not suggesting here that *any* use of the word "Angel" associated with *any* product would infringe the **ANGEL SOFT** Trademarks. However, under federal trademark law, Georgia-Pacific is entitled to preclude another party's use of "Angel" (or a similar variation) to sell the exact *same* type of product in the *same* geographic area in order to preclude a likelihood of confusion among consumers. Georgia-Pacific, therefore, respectfully submits that the facts and applicable law warrant entry of a preliminary injunction.

II. THE CONTINUING NEED FOR PRELIMINARY INJUNCTIVE RELIEF

Georgia-Pacific is not ignoring Defendants' representations that they have ceased distribution of "Angelite" bathroom tissue – and Georgia-Pacific is very mindful of not wasting judicial resources. But, the dilemma that Georgia-Pacific faces is that Defendants have given Georgia-Pacific reason to doubt the veracity of this and other representations. For instance, Defendants have made the relatively unbelievable representation that after the "first" shipment of "Angelite" in 2003, they did not import any other "Angelite" products until the middle of 2007. See Defendants' Supplemental Declaration of Ron Martinetti Opposing Plaintiff's Ex Parte Application for Expedited Discovery (DN 27), ¶ 2. Aside from just the visceral oddity of this assertion, the logistical issues associated with it further diminish its credibility. The preparation and the actual running of equipment to print large amounts of packaging for products such as bathroom tissue would require the expenditure of significant money and resources. Logic would therefore dictate that once the machine is set up for a particular run, all efforts would be made to print as much of that wrapping as feasible at that time, because the costs incurred to stop and restart would likely be significant. Consequently, it is difficult to believe that these costs would have been incurred for a single shipment of "Angelite" in 2003, and then shut down until four years later.

Georgia-Pacific therefore attempted to test the veracity of this and other representations in its request for expedited discovery consisting of a deposition of defendant John Lee and a limited set of document requests. *See Ex Parte* Application for Expedited Discovery (DN 24). Defendants opposed the Application, and it was denied, thereby preventing Georgia-Pacific from testing the bona fides of Defendants' many representations.

Moreover, Defendants' representations of cessation have only pertained to its "Angelite" products. Georgia-Pacific's request for preliminary injunctive relief, however, also includes similar variations. Defendants have applied for and are prosecuting a trademark registration for "Angelito" for use with "bathroom tissue and toilet tissue." Declaration of Adam Welland ("Welland Decl."), ¶¶ 3-4. Defendants represented to the United States Patent and Trademark Office in September 2007 that they are "using the mark in commerce" in connection with such goods. *Id.* at ¶¶ 5-6. These goods would be subject to the same treatment as the "Angelite" bathroom tissue, yet Georgia-Pacific is unsure whether Defendants are still distributing the "Angelito" products. Therefore, while Georgia-Pacific would like to accept Defendants' representations at face value, Defendants' refusal to provide formal discovery (as opposed to selectively disclosing facts of its choosing, which they have done) coupled with the inconsistencies inherent in these representations, makes it very difficult to do so. As a result, Georgia-Pacific is forced to continue to seek judicial intervention.

Further, as a matter of controlling Ninth Circuit law, Defendants' representations do not preclude entry of a preliminary injunction. "It is actually well-settled 'that an action for an injunction does not become moot merely because the conduct complained of was terminated, if there is a possibility of recurrence, since otherwise the defendants would be free to return to [their] old ways." FTC v. Affordable Media, LLC, 179 F.3d 1228, 1237 (9th Cir. 1999) (citations omitted). This is because, "if the opposite were true, any defendant could moot a preliminary injunction appeal by simply representing to the court that it will cease its wrongdoing." LGS Architects, Inc. v. Concordia Homes of Nevada, 434 F.3d 1150, 1156 (9th Cir. 2006). As a result, Defendants' untested representations cannot factor into the analysis.

III. ARGUMENT

A. Defendants Distributed "Angelite" Products to Intentionally Confuse Consumers

Bad faith intent is alone sufficient to establish a likelihood of confusion. *See HMH Publ.* 'g Co., Inc. v. Brincat, 504 F.2d 713, 719 (9th Cir. 1974); 1-3 Gilson on Trademarks § 5.07 (2007 ed.). It is inconceivable that Defendants were unaware of Georgia-Pacific's

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ANGEL SOFT® bathroom tissue products when they decided to inject "Angelite" bathroom tissue into the market. Georgia-Pacific has used ANGEL SOFT® to identify goods since 1944, and since that time has spent millions of dollars in advertising and promotion for those products. Declaration of Andrew Towle ("Towle Decl."), filed in support of the Application for TRO, ¶¶ 3-4; 12-18. This advertising has included national television commercials, magazine advertisements, and a web site devoted exclusively to the ANGEL SOFT® brand. *Id.* Knowledge of the ANGEL SOFT® brand is widespread and would unquestionably be known to companies in the business of selling bathroom tissue. Since "angel" bears no rational or descriptive relation to bathroom tissue, the fact that the Defendants have marketed their product as "Angelite" speaks volumes.

Also of great significance is that the sources in China from which Defendants ordered and imported the offending "Angelite" bathroom tissue were aware of the ANGEL SOFT® brand when asked to provide the "Angelite" product. Defendants have identified these sources to include at least RunHui Paper Co. Ltd. ("RunHui") and Shantou Kid Toys Co. Ltd. ("Shantou"). Welland Decl., ¶¶ 7-8. An employee of RunHui acknowledged that "Angel" was a famous brand in the United States, and that producing "Angel" bathroom tissue would be "dangerous." See Declaration of Zhijun Xu ("Xu Decl."), ¶ 4(b-c). Further, a manager at Shantou also expressly admitted to being aware of ANGEL SOFT® bathroom tissue. Xu Decl., ¶ 6. If Defendants' suppliers, thousands of miles away in China, were aware of ANGEL SOFT®, it is again inconceivable that Defendants lacked such knowledge.

In addition, the 2003 federal and state trademark applications for "Angelite 500" were prosecuted by an experienced trademark attorney. Welland Decl., ¶¶ 9-11. Although the Lanham Act does not require searches for similar trademarks, it is common practice to do so, and failure to conduct a search can controvert any assertions of good faith. 1-3 Gilson on Trademarks § 3.01. It is thus difficult to believe that searches were not conducted – and if they were, it is difficult to believe that the **ANGEL SOFT** Trademarks were not uncovered.

confuse consumers.

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This substantial evidence establishes that Defendants were aware of ANGEL SOFT® bathroom tissue, and their choice of the confusingly similar "Angelite" confirms their intent to

Defendants' "Angelite" and Georgia-Pacific's ANGEL SOFT® Products Are B. Sold in the Same Marketing Channels

Defendants' goods are sold in discount stores throughout Southern California. App. at 14. Likewise, Georgia-Pacific sells certain lines of its ANGEL SOFT® bathroom tissue to discount stores in California, such as Big Lots, Family Dollar, Dollar General, Fred's, \$0.99 Stores, Canned Foods, and McFrugles. See Supplemental Declaration of Andrew Towle, ¶¶ 2-3. As the Federal Circuit has articulated, this factor "does not limit channels of trade to identical stores" Century 21 Real Estate Corp. v. Century Life of Am., 970 F.2d 874, 877 (Fed. Cir. 1992). "Rather a channel of trade includes the same type of distribution channel." *Id.* In this case, both ANGEL SOFT® and "Angelite" are sold in the exact same distribution channel discount stores in California. This greatly increases the likelihood of consumer confusion.

C. Additional Sleekcraft Factors Support the Entry of a Preliminary Injunction

Although of lesser importance to this Court's analysis, the following additional Sleekcraft factors also support the entry of a preliminary injunction in this case and fail to overcome the "controlling troika" that weighs heavily in favor of a likelihood of confusion:

Actual confusion. Georgia-Pacific already has received an email indicating actual consumer confusion between ANGEL SOFT® and "Angel" bathroom tissue, a product very similar to Defendants' "Angelite." Towle Decl., ¶¶ 20-21. It is thus only a matter of time before similar emails or letters are received for "Angelite" if Defendants are not enjoined.

Nevertheless, this Court may grant a preliminary injunction in Georgia-Pacific's favor absent evidence of actual confusion. Courts consistently have recognized that evidence of actual confusion is often difficult to obtain, and thus undue weight should not be accorded to this factor. Brookfield, 174 F.3d 1050; see also E & J Gallo Winery v. Gallo Cattle Co., 967 F.2d 1280, 1292 (9th Cir. 1992) ("Evidence of actual confusion is relevant to the issue of likelihood of confusion, but the absence of such evidence need not create an inference that there is no

likelihood of confusion."). Furthermore, evidence of actual confusion is particularly difficult to obtain when the goods in question are relatively inexpensive, as here: "[The] absence of [actual confusion] evidence does not necessarily support a finding of no likelihood of confusion, especially when the products involved are inexpensive." *Beer Nuts v. Clover Club Foods Co.*, 805 F.2d 920, 928 (10th Cir. 1986); *see also Chevron Chem. Co. v. Voluntary Purchasing Groups*, 659 F.2d 695, 705 (5th Cir. 1981) ("It would be exceedingly difficult to detect instances of actual confusion when . . . the goods are relatively inexpensive and their actual properties are exactly identical. . . ."). "Purchasers are unlikely to bother to inform the trademark owner when they are confused about an inexpensive product." *Beer Nuts*, 805 F.2d at 928.

Degree of Care Exercised by Consumers. Consumers of relatively inexpensive goods may not exercise a high degree of purchasing care, making confusion regarding these goods much more likely. *Brookfield*, 174 F.3d at 1060; *E. & J. Gallo Winery*, 967 F.2d at 1293; *Beer Nuts*, 805 F.2d at 928. Courts thus have favored protection of trademark rights when the products at issue are "relatively inexpensive and unsophisticated, and do not require a great deal of precision or care to fulfill their purpose." *Au-Tomotive Gold, Inc.*, 457 F.3d 1062, 1075 (9th Cir. 2006).

Bathroom tissue products, such as Georgia-Pacific's ANGEL SOFT® and Defendants' "Angelite," are just such relatively inexpensive products, which typically retail at relatively low prices and are sometimes sold in discount stores. Due to the similarity of Defendants' products to ANGEL SOFT® bathroom tissue and given these products' relatively low prices, purchasers are likely to pick one product from crowded store shelves over another with not as much care as when purchasing luxury items. Accordingly, there is a high likelihood of consumer confusion.

D. Georgia-Pacific's Distinctive ANGEL SOFT Trademarks Are Entitled To A High Degree Of Protection

Whether a likelihood of confusion exists among products depends to a substantial degree upon the relative strength of the mark sought to be protected. As the Ninth Circuit explained in *Brookfield Communications*, "[t]he stronger a mark--meaning the more likely it is to be remembered and associated in the public mind with the mark's owner--the greater the

protection it is accorded by the trademark laws." 174 F.3d at 1058. (citing *Kenner Parker Toys Inc. v. Rose Art Indus.*, 963 F.2d 350, 353 (Fed. Cir. 1992); *Nutri/System, Inc. v. Con-Stan Indus., Inc.*, 809 F.2d 601, 605 (9th Cir. 1987).

The strength of a trademark is measured along a conceptual "spectrum." *Brookfield Comm'cns*, 174 F.3d at 1058. Trademarks are classified by their degree of inherent distinctiveness along this spectrum as generic, descriptive, suggestive, arbitrary, or fanciful. *Id.*; *see also Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 768 (1992) ("Marks are often classified in categories of generally increasing distinctiveness; following the classic formulation set out by Judge Friendly, they may be (1) generic; (2) descriptive; (3) suggestive; (4) arbitrary; or (5) fanciful."). The more unique or arbitrary the mark, the stronger the mark and, in turn, the more protection it will be afforded. *Brookfield Comm'cns*, 174 F.3d at 1058; *Sleekcraft*, 599 F. 2d at 349; *see also Ocean Garden, Inc. v. Marktrade Co.*, 953 F.2d 500, 506 (9th Cir. 1991) ("[a] strong mark is inherently distinctive" and "will be afforded the widest ambit of protection from infringing uses"); *Surgicenters of Am. v. Med. Dental Surgeries*, 601 F.2d 1011, 1014-15 (9th Cir. 1979) (establishing a continuum of marks from "generic" marks which are afforded no protection, to descriptive" or "suggestive," marks which are given moderate protection, to "arbitrary" or "fanciful" marks, which are awarded maximum protection).

At one end of this spectrum are "generic" and "descriptive" marks, which define "qualities or characteristics of a product in a straightforward way that requires no exercise of the imagination to be understood," such that "an entirely unimaginative, literal-minded person would understand the significance of the [mark's] reference." *Entrepreneur Media, Inc. v. Smith*, 279 F.3d 1135, 1147 (9th Cir. 2002); *see also Yellow Cab Co. of Sacramento v. Yellow Cab of Elk Grove, Inc.*, 419 F.3d 925, 927 (9th Cir. 2005) (generic marks "give the general name of the product; they embrace an entire class of products"; "they identify the product, rather than the product's source."); *Brookfield Comm'cns*, 174 F.3d at 1058 n. 19 ("Descriptive terms directly describe the quality or features of the product."). An example of a generic mark would be the phrase "Liquid controls" for equipment that dispenses liquid, or "Multistate Bar Examination" for a bar examination that may be taken across multiple states. *Surfvivor Media, Inc. v. Survivor*

Productions, 406 F.3d 625, 632 (9th Cir. 2005) (citing Nat'l Conf. of Bar Examiners v. Multistate Legal Stud., Inc., 692 F.2d 478, 488 (7th Cir. 1983)). Generic or descriptive marks generally are "weak," and must acquire secondary meaning among the consuming public to qualify for trademark protection. Two Pesos, 505 U.S. at 769.¹

A "suggestive" mark conveys an impression of the nature of the product or service with which it is associated, but consumers must exercise some imagination and perception to reach a conclusion as to the nature of the product or service. *Brookfield Comm'cns*, 174 F.3d at 1058 n.19. An example of a suggestive mark would be the phrase "Roach Motel" to describe an insect trap product. *See Am. Home Prods. Corp. v. Johnson Chem. Co.*, 589 F.2d 103 (2d Cir. 1978); *see also Surfvivor Media*, 406 F.3d at 632 (using "Air Care" for medical oxygen service as example of suggestive mark).

Finally, and at the other end of the spectrum, are arbitrary and fanciful marks, which have no intrinsic connection to the product with which the mark is used. *Brookfield Comm'cns*, 174 F.3d at 1058 n.19; *Nutri/System, Inc.*, 809 F.2d at 605 (explaining that when a product's trademark does not describe the type of product to which the mark is associated, the mark may be suggestive or arbitrary, and is therefore entitled to greater protection than a descriptive mark). Arbitrary marks consist of words commonly used in the English language, that are used in uncommon or unexpected ways. *Brookfield Comm'cns*, 174 F.3d at 1058 n.19; *Official Airline Guides, Inc. v. Goss*, 6 F.3d 1385, 1390 (9th Cir. 1993) ("An arbitrary mark is a common word that is "non-descriptive of any quality of the goods or services."). An example of an arbitrary mark is "Dutch Boy" paint. *Surfvivor Media*, 406 F.3d at 632; *see also*, *e.g.*, *Interstellar Starship Services*, *Ltd. v. Epix, Inc.*, 304 F.3d 936, 943 n.6 (9th Cir. 2002) (noting that use of the word "Amazon" for an online store is an example of an arbitrary mark); *Fleischmann Distilling*, 314 F.2d 149 ("Black & White" mark to describe scotch whiskey). Fanciful marks are comprised of original terms. *Brookfield Comm'cns*, 174 F.3d at 1058 n.19; *see also*, *e.g.*, *Clorox*

¹ "Secondary meaning is used generally to indicate that a mark . . . 'has come through use to be uniquely associated with a specific source.'" *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 766 n. 4 (1992) (citations omitted); *see also Official Airline Guides v. Goss*, 6 F.3d 1385, 1391 (9th Cir. 1993) ("A mark acquires secondary meaning if customers associate the mark with a particular source.").

Chem. Co. v. Chlorit Mfg. Corp., 25 F. Supp. 702 (E.D.N.Y. 1938) ("Clorox" mark for bleach is a fanciful mark). Examples of fanciful marks would include "Kodak" cameras or "Aveda" skincare products. Surfvivor Media, 406 F.3d at 632.

Applying this framework in this case confirms that the ANGEL SOFT Trademarks are inherently distinctive strong marks, entitled to a great deal of protection. On the spectrum of distinctiveness, the ANGEL SOFT Trademarks are arbitrary. The phrase "Angel Soft" is not descriptive or suggestive of the type of product – bathroom tissue. Indeed, the word "Angel" is defined by Webster's Collegiate Dictionary as "a spiritual being superior to humans in power and intelligence." Merriam-Webster's Collegiate Dictionary (11th ed. 2007). This definition indisputably bears *no relationship* to bathroom tissue. Defendants' use of this very word to describe their own *bathroom tissue* products is particularly remarkable given the lack of association between Angels and bathroom tissue products. Because Georgia-Pacific's ANGEL SOFT Trademarks are arbitrary, they are strong marks which are entitled to heightened protection. *See Brookfield*, 174 F.3d at 1058.

Alternatively, and at an absolute minimum, the **ANGEL SOFT** Trademarks are suggestive marks. *Brookfield*, 174 F.3d at 1058, n. 19 ("A suggestive mark conveys an impression of a good but requires the exercise of some imagination and perception to reach a conclusion as to the product's nature"). Georgia-Pacific's successful registration of the **ANGEL SOFT** Trademarks establishes that these marks are presumptive suggestive, as a matter of law. *See Quiksilver, Inc. v. Kymsta Corp.,* 466 F.3d 749, 761 (9th Cir. 2006) ("Where, as here, the PTO issues a mark registration without requiring proof of secondary meaning, the registrant . . . enjoys a presumption that the purchasing public perceives the mark to be inherently distinctive.") (internal quotations omitted); *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 11 (2d Cir. 1976) ("[T]he decision of the Patent Office to register a mark without requiring proof of secondary meaning affords a rebuttable presumption that the mark is suggestive or arbitrary or

While the word "soft" in and of itself may be suggestive of bathroom tissue products, Georgia-Pacific was required by the United States Patent and Trademark Office to disclaim any independent trademark rights in the word "soft," in its trademark applications. Towle Decl., Exhibits 3-7. Accordingly, Georgia-Pacific's trademarks pertain principally to the word "Angel." See id.

fanciful rather than merely descriptive"). As detailed above, suggestive marks are entitled to a high degree of protection when the infringing mark is quite similar and *the goods or services* they connote are closely related. Sleekcraft, 599 F.2d at 350; see also McCarthy ¶ 11:76 ("Whether a mark is weak or not is of little importance where the conflicting mark is identical and the goods are closely related.").³ In this case, it is beyond question that the good in question are closely related; they are identical.

In short, whether the **ANGEL SOFT** Trademarks are classified as arbitrary *or* as suggestive marks, the **ANGEL SOFT** Trademarks are entitled to a high degree of protection. Thus, this *Sleekcraft* factor, the strength of the **ANGEL SOFT** Trademarks and the degree of protection to which they are entitled, strongly supports a finding of a likelihood of confusion.

E. Defendants' California Registration for "Angel Lite" Is Irrelevant

Defendants repeatedly have argued that their state trademark registration for "Angel Lite 500" entitles them to continue to distribute products carrying this label. *See* J. Lee Decl. in Rebuttal to Plaintiffs' Reply ¶ 2 (DN 18); J. Lee Decl. in Opp. to Prelim. Injunction ¶ 4 (DN 26). This argument is entirely misplaced, however, because, as detailed below, Georgia-Pacific's *senior federal* trademark rights trump Defendants' junior state trademark registration.

1. Defendants' State Trademark Registration Is Pre-empted By Georgia-Pacific's Prior Use of Its ANGEL SOFT Trademarks

Contrary to Defendants' suggestion, Defendants' state trademark registration cannot interfere with Georgia-Pacific's rights in its federally-registered **ANGEL SOFT** Trademarks. "[S]tate law cannot narrow the rights of a federal registrant or permit

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A suggestive mark also may be entitled to strong protection when, as here, the mark has enjoyed substantial commercial success. See, e.g., Entrepreneur Media, Inc. v. Smith, 279 F.3d 1135, 1144 (9th Cir. 2002) (recognizing that an otherwise inherently weak mark "may be strengthened by such factors as extensive advertising, length of exclusive use, public recognition" (citation and internal quotation marks omitted); GoTo.com, Inc. v. Walt Disney Co., 202 F.3d 1199, 1208 (9th Cir. 2000) (stating that GoTo's "tremendous success" strengthened its otherwise suggestive mark); Brookfield Comm'cns, 174 F.3d at 1058 (noting that "placement within the conceptual distinctiveness spectrum is not the only determinant of a mark's strength, as advertising expenditures can transform a suggestive mark into a strong mark where, for example, that mark has achieved actual marketplace recognition") (internal citation omitted)); Sleekcraft, 599 F.2d at 350 (stating that a suggestive mark may be strengthened by advertising; otherwise the weak mark is "entitled to a restricted range of protection").

confusion of customers which federal law seeks to prevent." 3 McCarthy § 22:2; *see also Spartan Foods Sys., Inc. v. HFS Corp.*, 813 F.2d 1279, 1284 (4th Cir. 1987) ("The Lanham Act effects a limited preemption of state law, resolving the conflict in favor of the federal registrant's rights.").

In *Burger King of Florida, Inc. v. Hoots*, 403 F.2d 904 (7th Cir. 1968), for instance, the court explained that "Congress intended the Lanham Act to afford nationwide protection to federally-registered marks, and that once the certificate has issued, no person can acquire any additional rights superior to those obtained by the federal registrant." *Id.* at 908. All other courts that have addressed this issue have followed this same reasoning. *E.g., Keebler Co. v. Rovira Biscuit Corp.*, 624 F.2d 366, 372 n.3 (1st Cir. 1980) ("The Supremacy Clause bars . . . state statutes or doctrine that would permit the sort of confusing or deceptive practices the draftsmen on the Lanham Act sought to prevent."); *La Chemise Lacoste v. Alligator Co.*, 506 F.2d 339, 346 (3d Cir. 1974); *Teddygram Inc. v. Boyce*, 53 U.S.P.Q.2d 1804, 1812 (N.D. Ga. 1999) ("elevat[ing] Georgia's registration process over the federal process [would be] tantamount to overruling the Lanham Act's regulations regarding continuous pre-registration usage."); *Am. Auto Ass'n v. AAA Ins. Agency, Inc.*, 618 F. Supp. 787, 798 (W.D. Tex. 1985) (state law cannot defeat or limit the protection given to federally-registered marks).

Because Georgia-Pacific's senior, federally-registered **ANGEL SOFT** Trademarks are entitled to protection against infringement by marks later-acquired under state law – marks that are *invalid* because they are pre-empted by Georgia-Pacific's federal trademarks – Defendants' state trademark registration is of no consequence.

2. Georgia-Pacific's ANGEL SOFT Trademarks Are Incontestable and Senior to Defendants' State Trademark

Furthermore, even if Defendants' state trademark registration were not invalid under federal law, because Georgia-Pacific possesses rights to its **ANGEL SOFT** Trademarks that are senior to any rights Defendants may have in their state registration, the mere fact of Defendants' state trademark does not insulate Defendants from liability for trademark infringement.

It is well-established that the "first to use a mark is deemed the 'senior' user and has the right to enjoin 'junior' users from using confusingly similar marks in the same industry and market or within the senior user's natural zone of expansion." Brookfield Comm'cns, 147 F.3d at 1047; see also Union Nat'l Bank of Tex., Laredo, Tex. v. Union Nat'l Bank of Tex., Austin, Tex., 909 F.2d 839, 842-43 (5th Cir. 1990) ("The first one to use a mark is generally held to be the 'senior' user and is entitled to enjoin other 'junior' users from using the mark, or one that is deceptively similar to it "); Tally-Ho, Inc. v. Coast Cmty. Coll. Dist., 889 F.2d 1018, 1023 (11th Cir. 1989) ("The first to use a mark on a product or service in a particular geographic market, the senior user, acquires rights in the mark in that market. . . . The senior user . . . may enjoin such uses that infringe upon its prior rights."). Notably, the senior user of a trademark obtains exclusive rights to use of that trademark, and confusingly similar marks, with regard to the same products or with regard to related product or service markets. McCarthy § 24-1—24-12. The senior user thus may enjoin a junior user from using its mark "on any product or service which would reasonably be thought by the buying public to come from the same source, or thought to be affiliated with, connected with, or sponsored by, the trademark owner." Tally-Ho, 889 F.2d at 1023 (citations omitted).

Georgia-Pacific has owned its **ANGEL SOFT** Trademarks since well-before Defendants either used or applied for their "Angel Lite" California registration. Towle Decl., ¶¶ 3-7; App. at 4. Indeed, two of these marks have achieved "incontestable" status. Towle Decl., ¶ 8. Defendants' state trademark registration – even if it were not already pre-empted by Georgia-Pacific's federally-registered marks – therefore cannot interfere with Georgia-Pacific's established, senior rights.

3. Georgia-Pacific Had No Knowledge of Defendants' State Trademark Registration Until this Lawsuit

Finally, Defendants suggest that because they obtained a state trademark registration in 2003 Georgia-Pacific has "slept on its rights" since that time. Supp. Decl. of R. Martinetti Opposing Plaintiffs' Ex Parte Application for Expedited Discovery at ¶ 3 (DN 27); J. Lee Decl. in Opp. to Prelim. Injunction ¶ 4 (DN 26). This assertion is made without *any*

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supporting evidence whatsoever, and is without merit. Georgia-Pacific had no knowledge of 1 2 Defendants' California registration, and Defendants have not offered any evidence to the 3 contrary. The notion that Georgia-Pacific has "slept on its rights" is unfounded and should have 4 no bearing upon this Court's consideration of Georgia-Pacific's request for preliminary 5 injunctive relief. 6 IV. **CONCLUSION** 7 For the foregoing reasons, and as further shown in Georgia-Pacific's initial Application and Reply, Georgia-Pacific respectfully requests this Court enter a preliminary injunction 8 9 enjoining Defendants from importing, distributing, selling, promoting and/or marketing 10 "Angelite" (and any similar variation) bathroom tissue products. 11 12 13 Respectfully submitted, Dated: February 15, 2008 14 LATHAM & WATKINS LLP 15 16 By: /s/ Stephen P. Swinton Attorneys for Plaintiff 17 Georgia-Pacific Consumer Products LP E-mail: steve.swinton@lw.com 18 19 20 21 22 23 24 25 26 27 28

SAN DIEGO NORTH COUNTY

PROOF OF SERVICE

I am employed in the County of San Diego, State of California. I am over the age of 18 years and not a party to this action. My business address is Latham & Watkins LLP, 12636 High Bluff Drive, Suite 400, San Diego, CA 92130.

On February 15, 2008, I served the following document described as:

- 1. PLAINTIFF GEORGIA-PACIFIC CONSUMER PRODUCTS LP'S SUPPLEMENTAL BRIEF IN SUPPORT OF MOTION FOR PRELIMINARY INJUNCTION;
- 2. DECLARATION OF ADAM A. WELLAND IN SUPPORT PLAINTIFF GEORGIA-PACIFIC CONSUMER PRODUCTS LP'S SUPPLEMENTAL BRIEF IN SUPPORT OF MOTION FOR PRELIMINARY INJUNCTION;
- 3. SUPPLEMENTAL DECLARATION OF ANDREW TOWLE IN SUPPORT PLAINTIFF GEORGIA-PACIFIC CONSUMER PRODUCTS LP'S SUPPLEMENTAL BRIEF IN SUPPORT OF MOTION FOR PRELIMINARY INJUNCTION;
- 4. DECLARATION OF ZHIJUN XU

by serving a true copy of the above-described document in the following manner:

BY ELECTRONIC FILING

I am familiar with the United States District Court, Southern District of California's practice for collecting and processing electronic filings. Under that practice, documents are electronically filed with the court. The court's CM/ECF system will generate a Notice of Electronic Filing (NEF) to the filing party, the assigned judge, and any registered users in the case. The NEF will constitute service of the document. Registration as a CM/ECF user constitutes consent to electronic service through the court's transmission facilities. Under said practice, the following CM/ECF users were served:

Ronald Martinetti, Esq. Kazanjian & Martinetti 520 East Wilson Avenue Glendale, CA 91206 Tel: 818-241-1011

Fax: 818-241-2193

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I declare that I am employed in the office of a member of the Bar of, or permitted to practice before, this Court at whose direction the service was made and declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on February 15, 2008, at San Diego, California.